

IC 20-24-7

Chapter 7. Fiscal Matters

IC 20-24-7-1

Organizer as fiscal agent

Sec. 1. (a) The organizer is the fiscal agent for the charter school.

(b) The organizer has exclusive control of:

- (1) funds received by the charter school; and
- (2) financial matters of the charter school.

(c) The organizer shall maintain separate accountings of all funds received and disbursed by the charter school.

As added by P.L.1-2005, SEC.8.

IC 20-24-7-2

Charter school student information; distribution of state funds; calculation of share of local funds

Sec. 2. (a) Not later than the date established by the department for determining ADM, and after May 31 each year, the organizer shall submit to the department the following information on a form prescribed by the department:

- (1) The number of students enrolled in the charter school.
- (2) The name and address of each student.
- (3) The name of the school corporation in which the student has legal settlement.
- (4) The name of the school corporation, if any, that the student attended during the immediately preceding school year.
- (5) The grade level in which the student will enroll in the charter school.

The department shall verify the accuracy of the information reported.

(b) This subsection applies after December 31 of the calendar year in which a charter school begins its initial operation. The department shall distribute to the organizer the state tuition support distribution. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution of state tuition support under IC 20-43-2 to other school corporations.

As added by P.L.1-2005, SEC.8. Amended by P.L.2-2006, SEC.106; P.L.146-2008, SEC.460.

IC 20-24-7-3

Calculation and distribution of state funds to conversion charter school; advance from charter school advancement account

Sec. 3. (a) This section applies to a conversion charter school.

(b) Beginning not more than sixty (60) days after the department receives the information reported under section 2(a) of this chapter, the department shall distribute to the organizer:

- (1) tuition support and other state funding for any purpose for students enrolled in the conversion charter school;
- (2) a proportionate share of state and federal funds received:
 - (A) for students with disabilities; or

- (B) for staff services for students with disabilities; enrolled in the conversion charter school; and
- (3) a proportionate share of funds received under federal or state categorical aid programs for students who are eligible for the federal or state categorical aid and are enrolled in the conversion charter school;

for the second six (6) months of the calendar year in which the conversion charter school is established. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution to the governing body of the school corporation in which the conversion charter school is located. A distribution to the governing body of the school corporation in which the conversion charter school is located is reduced by the amount distributed to the conversion charter school. This subsection does not apply to a conversion charter school after December 31 of the calendar year in which the conversion charter school is established.

(c) This subsection applies during the second six (6) months of the calendar year in which a conversion charter school is established. A conversion charter school may apply for an advance from the charter school advancement account under IC 20-49-7 in the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the result under subsection (d) STEP ONE (A).

STEP TWO: Determine the difference between:

- (A) the conversion charter school's current ADM; minus
- (B) the STEP ONE amount.

STEP THREE: Determine the quotient of:

- (A) the STEP TWO amount; divided by
- (B) the conversion charter school's current ADM.

STEP FOUR: Determine the product of:

- (A) the STEP THREE amount; multiplied by
- (B) the quotient of:
 - (i) the subsection (d) STEP TWO amount; divided by
 - (ii) two (2).

As added by P.L.1-2005, SEC.8. Amended by P.L.2-2006, SEC.107; P.L.146-2008, SEC.461.

IC 20-24-7-4

Costs of services provided by school corporation; administrative fee for state educational institution serving as sponsor

Sec. 4. (a) Services that a school corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services.

(b) This subsection applies to a sponsor that is a state educational institution described in IC 20-24-1-7(2). In a calendar year, a state educational institution may receive from the organizer of a charter school sponsored by the state educational institution an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the calendar year from

basic tuition support (as defined in IC 20-43-1-8).

(c) This subsection applies to the executive of a consolidated city that sponsors a charter school. In a calendar year, the executive may collect from the organizer of a charter school sponsored by the executive an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the calendar year for basic tuition support.

(d) This subsection applies to a sponsor that is a nonprofit college or university that is approved by the state board of education. In a calendar year, a private college or university may collect from the organizer of a charter school sponsored by the private college or university an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the calendar year for basic tuition support.

(e) This subsection applies to the charter board. In a calendar year, the charter school board may collect from the organizer of a charter school sponsored by the charter board an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the calendar year for basic tuition support.

(f) A sponsor's administrative fee may not include any costs incurred in delivering services that a charter school may purchase at its discretion from the sponsor. The sponsor shall use its funding provided under this section exclusively for the purpose of fulfilling sponsoring obligations.

(g) Except for oversight services, a charter school may not be required to purchase services from its sponsor as a condition of charter approval or of executing a charter contract, nor may any such condition be implied.

(h) A charter school may choose to purchase services from its sponsor. In that event, the charter school and sponsor shall execute an annual service contract, separate from the charter contract, stating the parties' mutual agreement concerning the services to be provided by the sponsor and any service fees to be charged to the charter school. A sponsor may not charge more than market rates for services provided to a charter school.

(i) Not later than ninety (90) days after the end of each fiscal year, each sponsor shall provide to each charter school it sponsors an itemized accounting of the actual costs of services purchased by the charter school from the sponsor. Any difference between the amount initially charged to the charter school and the actual cost shall be reconciled and paid to the owed party. If either party disputes the itemized accounting, any charges included in the accounting, or charges to either party, either party may request a review by the department. The requesting party shall pay the costs of the review. *As added by P.L.1-2005, SEC.8. Amended by P.L.2-2006, SEC.108; P.L.146-2008, SEC.462; P.L.91-2011, SEC.18.*

IC 20-24-7-5

Grants and private and federal funds

Sec. 5. (a) An organizer may apply for and accept for a charter

school:

- (1) independent financial grants; and
- (2) funds from public or private sources other than the department.

(b) An organizer shall make all applications, enter into all contracts, and sign all documents necessary for the receipt by a charter school of aid, money, or property from the federal government.

As added by P.L.1-2005, SEC.8.

IC 20-24-7-6

Distribution of share of school corporation's capital project fund

Sec. 6. With the approval of a majority of the members of the governing body, a school corporation may distribute a proportionate share of the school corporation's capital project fund to a charter school.

As added by P.L.1-2005, SEC.8.

IC 20-24-7-6.5

Transfer of funds to conversion charter school

Sec. 6.5. (a) Subject to subsection (b) and with the approval of a majority of the members of the governing body, a school corporation may distribute any part of the following to a conversion school sponsored by the school corporation in the amount and under the terms and conditions adopted by a majority of the members of the governing body:

- (1) State tuition support and other state distributions to the school corporation.
- (2) Any other amount deposited in the school corporation's general fund.

(b) The total amount that may be transferred under subsection (a) in a calendar year to a particular conversion charter school may not exceed the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the result of:

- (A) the amount of state tuition support that the school corporation is eligible to receive in the calendar year; divided by
- (B) the current ADM of the school corporation for the calendar year.

STEP TWO: Determine the result of:

- (A) the amount of state tuition support that the conversion charter school is eligible to receive in the calendar year; divided by
- (B) the current ADM of the conversion charter school for the calendar year.

STEP THREE: Determine the greater of zero (0) or the result of:

- (A) the STEP ONE amount; minus
- (B) the STEP TWO amount.

STEP FOUR: Determine the result of:

(A) the STEP THREE amount; multiplied by

(B) the current ADM of the conversion charter school for the calendar year.

As added by P.L.229-2011, SEC.170.

IC 20-24-7-7

Building projects; applicability of bidding and wage determination laws

Sec. 7. When a charter school uses public funds for the construction, reconstruction, alteration, or renovation of a public building, bidding and wage determination laws and all other statutes and rules apply.

As added by P.L.1-2005, SEC.8.

IC 20-24-7-8

Sponsor's right to receive financial reports from organizer

Sec. 8. A sponsor may request and receive financial reports concerning a charter school from the organizer at any time.

As added by P.L.1-2005, SEC.8.

IC 20-24-7-9

Termination of charter; distribution of funds; repayment of obligations

Sec. 9. (a) This section applies if:

(1) a sponsor:

(A) revokes a charter before the end of the term for which the charter is granted; or

(B) does not renew a charter; or

(2) a charter school otherwise terminates its charter before the end of the term for which the charter is granted.

(b) Any state funds that remain to be distributed to the charter school in the calendar year in which an event described in subsection (a) occurs shall be distributed as follows:

(1) First, to the common school loan fund to repay any existing obligations of the charter school under IC 20-49-7.

(2) Second, to the entities that distributed the funds to the charter school. A distribution under this subdivision shall be on a pro rata basis.

(c) If the funds described in subsection (b) are insufficient to repay all existing obligations of the charter school under IC 20-49-7, the state shall repay any remaining obligations of the charter school under IC 20-49-7 from the amount appropriated for state tuition support distributions.

As added by P.L.1-2005, SEC.8. Amended by P.L.2-2006, SEC.109; P.L.146-2008, SEC.463.

IC 20-24-7-10

Federal funds for charter schools; department's responsibilities

Sec. 10. (a) The department shall carry out a program to identify

all federal funds for which a charter school is eligible.

(b) The department shall apply for all federal funds that are available for charter schools and for which Indiana is eligible.

(c) Upon receiving notice under IC 20-5.5-3-9 from a sponsor that a charter has been approved, the department shall immediately inform the organizer of the organizer's potential eligibility for federal charter school start-up grants.

(d) The department shall distribute federal charter school start-up grants to eligible organizers in a timely manner according to the department's published guidelines for distributing the grants.

(e) The department shall compile a biannual report and submit the report to the state office of federal grants and procurement and to charter school organizers and sponsors. The report submitted under this subsection must contain the following information for grants distributed under this section:

(1) Beginning and end dates for each grant cycle.

(2) The dates on which:

(A) grant applications and requests for renewal were received; and

(B) grants were awarded.

(3) The amount of each grant awarded.

As added by P.L.169-2005, SEC.14.

IC 20-24-7-11

Matching funds for federal grants to charter schools

Sec. 11. (a) If the United States Department of Education approves a new competition for states to receive matching funds for charter school facilities, the department shall pursue this federal funding.

(b) To increase the state's opportunity to receive matching funds from the United States Department of Education, the department shall develop a facilities incentive grants program before January 1, 2010.

(c) The department shall use the priority criteria set forth in 21 U.S.C. 7221d(b) and 34 CFR 226.12 through 34 CFR 226.14 to develop the facilities incentive grants program.

As added by P.L.169-2005, SEC.15 and P.L.246-2005, SEC.129.

Amended by P.L.182-2009(ss), SEC.314; P.L.91-2011, SEC.19.

IC 20-24-7-12

Repealed

(Repealed by P.L.146-2008, SEC.807.)

IC 20-24-7-13

Virtual charter schools; funding

Sec. 13. (a) As used in this section, "virtual charter school" means any charter school, including a conversion charter school, that provides for the delivery of more than fifty percent (50%) of instruction to students through:

(1) virtual distance learning;

- (2) online technologies; or
- (3) computer based instruction.

(b) Beginning with the 2011-2012 school year, a virtual charter school may apply for sponsorship with any statewide sponsor in accordance with the sponsor's guidelines.

(c) Before January 1, 2012, a virtual charter school is entitled to receive funding from the state in an amount equal to the sum of:

- (1) the product of:
 - (A) the number of students included in the virtual charter school's ADM; multiplied by
 - (B) eighty percent (80%) of statewide average basic tuition support.

(d) After December 31, 2011, a virtual charter school is entitled to receive funding from the state in an amount equal to the sum of:

- (1) the product of:
 - (A) the number of students included in the virtual charter school's ADM; multiplied by
 - (B) eighty-seven and five-tenths percent (87.5%) of the school's foundation amount determined under IC 20-43-5-4; plus
- (2) the total of any special education grants under IC 20-43-7 to which the virtual charter school is entitled.

After December 31, 2011, a virtual charter school is entitled to receive special education grants under IC 20-43-7 calculated in the same manner as special education grants are calculated for other school corporations.

(d) The department shall adopt rules under IC 4-22-2 to govern the operation of virtual charter schools.

(e) Beginning in 2009, the department shall before December 1 of each year submit an annual report to the budget committee concerning the program under this section.

(f) This subsection does not apply to students who were enrolled in a virtual charter school during the 2010-2011 school year. Each school year, at least sixty percent (60%) of the students who are enrolled in virtual charter schools under this section for the first time must have been included in the state's ADM count for the previous school year.

As added by P.L.182-2009(ss), SEC.315. Amended by P.L.1-2010, SEC.78; P.L.91-2011, SEC.20; P.L.229-2011, SEC.171.